

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
August 20, 2004 Meeting**

Members Present:	Mark Howell, Barbara Zimonja, Karen Alvey, Richard Nelson, Debra Tanzi, Jane Shock, Cliff White, David Simmons, and Dell Loy Hansen.
Members Absent:	Bill Boyle, Joel Bradford, Jerry Oldroyd, Kenneth Woolley, Ted Smith, and Ed Ekstrom.
Visitors:	Brad Baird EDCU, Lesley Mitchell, Salt Lake Tribune, Dave Anderton, Salt Lake Tribune, Bill Green, Richter 7, Doug Talbot, Layton Construction, Fred Lampropoulos, Merit Medical, Gregg Fredde, Merit Medical, W. M. Jepperson, Utah State University, Suzanne Winters, Battelle, Phil Pezely, Attorney General Office, Roger Donaldson, Campic Production Inc.
Staff:	Marian Hein, Tracie Cayford, Tamee Roberts, Lisa Howe, Mark Renda, Kelly Day, Connie Gates, Jeff Gochmour, Rod Linton, Leigh Von der Esch, Aaron Syrett, Ed Meyer, and Ron Richins,

Welcome

Chairman David Simmons welcomed the DBED Board, staff, and guests and asked for a motion to approve the June 24, and July 16, 2004 minutes.

**MOTION: Barbara Zimonja moved and Richard Nelson seconded the motion to approve the minutes.
Motion carried.**

Committee Reports

Incentives Committee

Leigh von der Esch introduced Roger Donaldson from Campic Production Inc. who explained; their incentive to come to Utah was to be at the Bonneville Salt Flats where the story really happened. The movie, *The World's Fastest Indian* was written and produced by Roger Donaldson and is independently financed. The incentive program will be a great help in helping them realize what the movie could ultimately be. The money that the incentive would add to the project will help with the production, which begins in five weeks. Ms. Von der Esch added that Utah was in competition with Los Angeles for the movie.

Russ Kendall from Kaleidoscope Pictures was introduced and he explained the *Impossible Dream*, set in Utah. The biggest incentive for them is because they are part of an exciting movement of locally produced films the incentive helps them to create a better film as budgets on independently produced films are low. Every time a locally produced film goes nationwide, Utah gets recognition benefiting the state by bringing more projects here.

Barbara Zimonja moved to approve for Cameo FJ Entertainment—*The World's Fastest Indian* as follows:

MOTION: To approve for Cameo FJ Entertainment—The World's Fastest Indian a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if Cameo FJ Entertainment—The World's Fastest Indian contains Utah content and dollars left in state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$453,219. Barbara Zimonja moved; Mark Howell seconded; motion carried.

Barbara Zimonja moved to approve for Kaleidoscope—*The Impossible Dream* as follows:

MOTION: To approve for Kaleidoscope—The Impossible Dream a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if Kaleidoscope—The Impossible Dream contains Utah content and dollars left in the state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$48,000. Barbara Zimonja moved; Dell Loy Hansen seconded; motion carried.

Barbara Zimonja moved to approve for Salt Mill—*Dark Matter* as follows:

MOTION: To approve fro Salt Mill—Dark Matter a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if Dark Matter contains Utah content and dollars left in state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$159,804. Barbara Zimonja moved; Mark Howell seconded; motion carried.

Barbara Zimonja introduced Fred Lampropoulos from Merit Medical and asked Dell Loy Hansen to present the IAF incentive for Merit Medical as follows:

MOTION: Approve for Merit Medical a maximum incentive of up to \$1,000,000 as follows:

\$3,000 per new full-time employee position on a post performance basis over five years with a salary meeting or exceeding 125% of the Salt Lake County median wage, specifically designated for:

- a) **The relocation and growth of the Sensor division, and**
- b) **The introduction of the manufacturing of new product lines at Merit's Utah facility.**

\$1,600 per new full-time employee position on a post performance basis over five years with a salary meeting or exceeding 125% of the Salt Lake City median wage, specifically designated for additional growth and expansion of existing product lines, *exclusive* of the Sensor Division and the introduction of the manufacturing of new product lines at Merit's Utah facility.

The combination of these incentives would provide for the creation of nearly 600 new full-time jobs in Utah over the next five years.

The company must commit to keep operations in Utah for five years. Dell Loy Hansen moved; Richard Nelson seconded; motion carried.

Fred Lampropoulos expressed his consideration of the Board and involvement of citizens in the decision made. Merit Medical is a leader in the world in what they do in interventional cardiology and radiology. They are non-ventured financed and did this from a bootstrap. Fortune Magazine ranks Merit Medical as the 10th best company in America. They expect to add 300-500 new jobs this year.

Guidelines Discussion

Barbara Zimonja explained there was a task force of members from the Economic Development Committee who put together seven proposed guidelines for economic opportunities (HB75). The guidelines were distributed and Mark Renda presented them to the Board for approval. Jane Shock asked if there had been a feasibility analysis done on this; Mr. Renda responded that they require the applicant to do that as part of their application. Richard Nelson started a discussion about the importance of having the fiscal impact model be an independent model of the DBED board and DBED agency. He mentioned that the REMI model has been endorsed since 1991 from the office of Planning and Budget. Mr. Renda explained that although it has been endorsed, it delays decision making by at least two weeks. It was decided that due to the time constraints of running a full economic model at the time of application, one will be run after the fact to validate the DBED short analysis. If there are no differences, or minor differences, then everyone agreed they would be comfortable with the existing model. It was further decided that criteria be added to ensure that the applicant had investigated all other funding sources. Chairman Simmons asked for a motion to approve the guidelines.

MOTION: To approve the Economic Opportunities (HB75) guidelines as distributed, with additional refinements as discussed by the Board and noted above. Dell Loy Hansen motioned; Karen Alvey seconded. Motion carried.

Dr. M.K. Jeppsen, associated with the Utah State University Innovation Center, was introduced and asked to give a general sense of the issues faced in Cache County and what might be requested of the Board for Economic Opportunities. Dr. Jeppsen presented history on the Research and Technology Park and its size in 1985. It has since been expanded to include roughly 1,900 employees, and 52 companies. Their completed master plan includes projected growth to about thirty years. That growth will include about 8,000 employees and about 4 million square feet of building space. The problem is there is only one redundant line into Cache County. Redundancy is needed for both Utah State University and the Innovation Campus and Cache County and the Cities within Cache County who are highly dependent upon an alternate path coming into Cache County.

Suzanne Winters from Battelle presented a 1-A critical economic development issue. The project builds on the investment that has already been made in the Centers of Excellence Program. The proposal they are addressing short term is technology maturation. They are proposing to take two projects from the Centers forward. Technology transfer officers from the three research institutions together with the State of Utah developed criteria and made two selections. Those two selections are IsoTruss Structures Inc. and LADAR-EO. Handouts were distributed which gave background and explained concepts.

Best Practices Committee

The board voted to approve dissolving the Best Practice subcommittee for the original purpose that it was structured because the output of the committee has now migrated into the Business Development Committee. The recommendation was made by Ed Ekstrom in the July 16, 2004 Board meeting.

MOTION: Debra Tanzi motioned to approve the recommendation made by Ed Ekstrom as noted above; Karen Alvey seconded; motion carried.

Division Reports

Jeff Gochnour gave the following update on DBED program activities:

Bear

Rural Development

- The Utah Rural Summit was held in Cedar City August 11-13 and included attendance of the Governor, Lt. Governor, Senator Hatch, and Representative Cannon. Ed Meyer is making significant inroads in Rural Development.
- The Outdoor Retailers Association has decided to stay in the State for another five years. The Salt Palace will need to be renovated with money that is legislated for funding.

Incentives

- Becton Dickinson Medical has agreed that they will add two new product lines here. This deal was approved in May and should create approximately 325 jobs.
- Carlyle Companies out of North Carolina has agreed to open a facility in Tooele County that should create approximately 70 construction jobs. This deal was approved in June.
- Cabela's made the announcement they are going to open a huge facility in Lehi. The State did not provide any direct monetary support, but was very involved in bringing State entities and parties together that were important in affecting the deal. They are planning to open a year from now, and expect to bring 4 million tourists to the state.

International

- Tina Lewis is leading a trade mission to Vera Cruz, Mexico with Governor Walker.
- The China Harvard group will be coming through Utah this week for their second trip to Utah to study our Government.
- Fall Trade Missions and Dates: Veracruz – August 22-24, Santiago / Sao Paulo – September 19-25, Moscow – October 5-9, Taiwan / Hong Kong – October 8-16, Saarbrücken / Brussels – October 16-23.

September 9, 2004 Agenda:

Approval of August 20, 2004 minutes

Linda Archibald from Larry Miller Innovation Center

Committee Reports

Division Report

With no further business to take care, Chairman Simmons adjourned the meeting.